

# **James R. Favor & Company**

## **Phi Delta Epsilon International Medical Fraternity Risk Management & Insurance Program**

### **Minimum Insurance Requirements for Independent Contractors**

Before Independent Contractor agreements are finalized and any work is performed, Written Evidence of Insurance, as illustrated by the attached Specimen Certificate of Insurance, should be obtained from all Independent Contractors.

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Independent Contractors are a frequent source of problems and potentially significant losses for Fraternities and Sororities. When their use is carefully planned, they have also been proven to be a very effective method of risk reduction and transfer for fraternities and sororities.

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#### **ADDITIONAL RISK MANAGEMENT TIPS**

- 1) Independent Contractors should only be used subject to a written contract that has been reviewed by both your legal counsel and insurance advisors.
- 2) Hold Harmless and Indemnification Clauses that make Independent Contractors responsible for the defense and payment of any claims or losses that may arise out of their acts or omissions should be included in your contracts.
- 3) To further protect yourself, require that the Independent Contractor provide you with Additional Insured status under their insurance.
- 4) As an Additional Insured, require that the Independent Contractor and their insurer agree that if claims arise, the Independent Contractors insurance will be primary and your insurance will strictly be excess and non-contributory.
- 5) Require that the Independent Contractor's insurance may not be cancelled or non-renewed without providing you with at least (30) thirty days prior written notice via certified mail.
- 6) Independent Contractors providing or serving alcohol should be properly licensed and provide proof of insurance for both Host Liquor and Liquor Legal Liability with limits of not less than \$1,000,000 per occurrence.
- 7) Independent Contractors providing legal age identification checks, security or crowd control services for events should also provide proof of Personal Injury Liability insurance coverage for Assault and Battery, False Arrest, and Invasion of Privacy with limits of not less than \$1,000,000 per occurrence.
- 8) Higher limits and other coverages, such as Property, Installation or Builders Risk coverage or Performance or Honesty Bonds, may be needed based on the work to be performed.
- 9) For more information about Independent Contractors exposures, request our brochure "Independent Contractors a Review of Exposures and Recommendations. It provides a more detailed Review of these Exposures & our Risk Management Recommendations.

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#### **Questions & Additional Help**

Our staff is always available to answer your questions or assist your legal counsel in reviewing Independent Contractor agreements, or reviewing the insurance certificates provided by Independent Contractors. Please contact us at James R. Favor & Company, 14466 East Evans Avenue, Aurora, Colorado 80014-1409. WATS (800) 344-7335 • TEL. (303) 750-1122 • FAX (303) 745-8669 • JRFCO.COM.

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# CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)  
**(DATE)****PRODUCER**

ABC AGENCY, INC.  
 (STREET ADDRESS)  
 (CITY), (STATE) (ZIP CODE)  
 (TELEPHONE NUMBER)  
 (FAX NUMBER)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

**COMPANIES AFFORDING COVERAGE**

COMPANY LETTER **A** XYZ INSURANCE COMPANY, INC.

COMPANY LETTER **B**

COMPANY LETTER **C**

COMPANY LETTER **D**

COMPANY LETTER **E**

**INSURED**

ANY INDEPENDENT CONTRACTOR  
 (STREET ADDRESS)  
 (CITY), (STATE) (ZIP CODE)  
 (TELEPHONE NUMBER)  
 (FAX NUMBER)

**COVERAGES**

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH POLICIES.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIABILITY LIMITS IN THOUSANDS		
					EACH OCCURRENCE	AGGREGATE	
A	<b>GENERAL LIABILITY</b>	POLICY NUMBER	DATE	DATE	BODILY INJURY	\$	\$
	<input checked="" type="checkbox"/> COMPREHENSIVE FORM				PROPERTY DAMAGE	\$	\$
	<input checked="" type="checkbox"/> PREMISES/OPERATIONS				BI & PD COMBINED	\$ 1,000	\$ 2,000
	<input checked="" type="checkbox"/> UNDERGROUND EXPLOSION & COLLAPSE HAZARD				PERSONAL INJURY		\$ 2,000
	<input checked="" type="checkbox"/> PRODUCTS/COMPLETED OPERATIONS						
	<input checked="" type="checkbox"/> CONTRACTUAL						
	<input checked="" type="checkbox"/> INDEPENDENT CONTRACTORS						
	<input checked="" type="checkbox"/> BROAD FORM PROPERTY DAMAGE						
	<input checked="" type="checkbox"/> PERSONAL INJURY / ADVERTISING INJURY						
<input checked="" type="checkbox"/> HOST LIQUOR / LIQUOR LEGAL LIABILITY							
A	<b>AUTOMOBILE LIABILITY</b>	POLICY NUMBER	DATE	DATE	BODILY INJURY (PER PERSON)	\$	
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (PER ACCIDENT)	\$	
	<input type="checkbox"/> ALL OWNED AUTOS (PRIV. PASS.)				PROPERTY DAMAGE	\$	
	<input checked="" type="checkbox"/> ALL OWNED AUTOS (OTHER THAN PRIV. PASS.)				BI & PD COMBINED	\$ 1,000	
	<input checked="" type="checkbox"/> HIRED AUTOS						
<input checked="" type="checkbox"/> NON-OWNED AUTOS							
<input type="checkbox"/> GARAGE LIABILITY							
	<b>EXCESS LIABILITY</b>				BI & PD COMBINED	\$	\$
	<input type="checkbox"/> UMBRELLA FORM						
<input type="checkbox"/> OTHER THAN UMBRELLA FORM							
A	<b>WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY</b>	POLICY NUMBER	DATE	DATE	STATUTORY		
					\$ 100	(EACH ACCIDENT)	
					\$ 100	(DISEASE-POLICY LIMIT)	
					\$ 100	(DISEASE-EACH EMPLOYEE)	
A	<b>OTHER</b>	POLICY NUMBER	DATE	DATE	\$10,000 PER PERSON		
A	<b>MEDICAL PAYMENTS</b>	POLICY NUMBER	DATE	DATE	\$50,000 ANY ONE FIRE		
A	<b>FIRE DAMAGE LIABILITY</b>	POLICY NUMBER	DATE	DATE			

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS THE CERTIFICATE HOLDER'S INSURED ARE EACH NAMED AS ADDITIONAL INSURED. THIS INSURANCE IS PRIMARY AND NON-CONTRIBUTORY AS RESPECTS ANY OTHER INSURANCE AVAILABLE TO THE ADDITIONAL INSURED.

**CERTIFICATE HOLDER**

ANY FRATERNITY / SORORITY  
 (STREET ADDRESS)  
 (CITY), (STATE)  
 (ZIP CODE)

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT.

AUTHORIZED REPRESENTATIVE